

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2006

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2691

Honorable Members
Twenty-Third Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2691, entitled "A Bill for an Act Relating to Prevailing Wages."

The purpose of this bill is to allow a joint labor-management committee established under the federal Labor Management Cooperation Act of 1978 to file a lawsuit against an employer who fails to pay the prevailing wage required by chapter 104, Hawaii Revised Statutes, Hawaii's Wages and Hours of Employees on Public Works law, to its laborers and mechanics working on a governmental construction project.

This bill is objectionable because the Department of Labor and Industrial Relations currently conducts both complaint-generated and random routine investigations of public works projects for compliance with chapter 104. The Department's improved educational and outreach programs have focused in a positive manner in ensuring employers understand their obligations under the law. There is no demonstrated need to allow for the enforcement of chapter 104 by labor-management committees that may have personal interests in singling out certain contractors. Lawsuits against these contractors may also deter other contractors from bidding on public works projects, limiting the competition for these types of projects.

Moreover, this bill may require the Department to devote more resources to litigation, since the Department may have to intervene as an interested party to ensure that chapter 104 is being interpreted correctly. This will divert attention from what should be the primary focus, which is consistent,

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vigilant enforcement by the responsible government agency of the existing statute.

For the foregoing reasons, I am returning House Bill No. 2691 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Lingle", with a small dot to the right of the signature.

LINDA LINGLE
Governor of Hawaii